

Cape Cod Times at capecodtoday.com

Big deposits at Cape banks

July 20, 2012

Earlier this week, the state Treasury's Small Business Banking Partnership exceeded a quarter billion dollars on deposit in 47 community banks across the commonwealth, including three on the Cape.

The Small Business Banking Partnership moves Treasury cash reserve funds, typically held by large national and international financial institutions, and deposits them in amounts of up to \$10 million in Massachusetts banks.

In exchange, the banks sign an agreement signaling their intent to enhance their loan portfolios to small credit-worthy Massachusetts businesses.

"The Small Business Banking Partnership has been a resounding success, and it's a great example of an innovative public-private collaborative," said Treasurer Steven Grossman.

On Cape Cod, the Bank of Cape Cod and Cape Cod Five Cents Savings Bank have each received \$10 million from the Treasury and the Cooperative Bank of Cape Cod has received \$5 million.

State program pays dividends locally

TIMOTHY T. TELMAN

July 27, 2012

It was great to see your editorial of Friday, July 20, giving a thumbs-up to the state's Small Business Banking Partnership. State Treasurer Steven Grossman is quoted in the editorial calling the partnership "a resounding success, and it's a great example of an innovative public-private collaborative."

At Bank of Cape Cod, our experience with this program is a testament to that example of an innovative public-private collaboration. Our participation included a \$5 million deposit in May 2011 and another \$5 million in March 2012. The funds are part of a Massachusetts initiative to shift hundreds of millions of dollars in state deposits under the control of Treasurer Grossman to qualifying state banks to promote small business loans.

To date, we have closed 29 loans under the Small Business Banking Partnership program for a total of nearly \$7.5 million. We continue to review applications and proposals to fund loans under this program.

The partnership, as you pointed out in your editorial, aims to move money into smaller, community and local banks that have been at the forefront of providing capital to creditworthy small businesses. We know first-hand how this program ultimately has a direct impact on our local, Cape Cod economy. With the loans we funded under this program, businesses have been able to expand their physical structures, purchase new office space, upgrade technology and add new jobs.

In September we will mark our sixth year in business, starting out with one branch in Hyannis and now with additional branches in Osterville and Falmouth. We founded the bank to provide a local alternative to business owners seeking loans to expand their operations and also grow our Cape economy. Our participation in the program has been consistent with our goals of helping small business grow, and enabled our local commercial lending team to work closely with more businesses.

Although the overall pace of our national and local economy has been slow and uncertain at times, we have funded \$37 million in new business loans over the past six months alone. Our assets grew 20 percent to \$180 million in the first-half of the year compared to the close of 2011; loans are up 19 percent to \$142 million; and deposits are also up 19 percent to \$147 million.

We believe our efforts, coupled with participation in this state program, have been an important part in driving the Cape's economic engine. Bank of Cape Cod increased our own workforce by 25 percent this year adding six new, permanent, year-round professional jobs.

Community banks continue to be the backbone of the American economy by lending to small businesses. Banks and small businesses have a shared interest in ensuring our communities thrive. We have liquidity, employ sensible underwriting standards, and are poised for lending — all factors essential to keeping our Cape Cod economy and community strong.

Timothy T. Telman is president and CEO of Bank of Cape Cod.